

Message Text

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TO SECSTATE WASHDC 5224

INFO AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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S E C R E T SECTION 1 OF 3 GUATEMALA 6697

LIMDIS

USCINCSO FOR POLAD

E.O. 11652: GDS

TAGS: PINT, GT

SUBJECT: SPLIT BETWEEN PRESIDENT AND VICE PRESIDENT CREATES TENSE
POLITICAL ATMOSPHERE

REF: GUATEMALA A-211

1. SUMMARY: A SPLIT IN THE RANKS OF THE RIGHT-WING
NATIONAL LIBERATION MOVEMENT, THE PRINCIPAL
GOVERNMENT PARTY, SEEMS LIKELY TO HAVE A FAR-REACHING
EFFECT ON THE GUATEMALAN POLITICAL SCENE. THE STABILITY
OF THE LAUGERUD GOVERNMENT IS BEING THREATENED BY THE
HOSTILE STANCE OF VICE PRESIDENT MARIO SANDOVAL, LEADER OF
THE MAJORITY MLN FACTION. SANDOVAL HAS BEEN BITTER
CONCERNING LAUGERUD'S REFUSAL TO APPOINT MLN MEN TO KEY
GOVERNMENT JOBS. SINCE THE NEW GOVERNMENT ASSUMED POWER ON JULY
1 OF THIS YEAR. THE NEW DISSIDENT MLN FACTION, LED BY
FORMER FOREIGN MINISTER ROBERTO HERRERA, IS CURRENTLY
SUPPORTING LAUGERUD BUT COULD TURN AGAINST THE PRESIDENT

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IF HE FAILS TO GIVE THEM THE HELP THEY WANT. SANDOVAL HAS TAKEN STEPS TO CALM THE SITUATION, PROBABLY IN ORDER TO EASE THE GENERAL NERVOUSNESS CONCERNING SANDOVAL'S SCHEDULED ASSUMPTION OF PRESIDENTIAL POWERS DURING LAUGERUD'S TRIP TO CARACAS DECEMBER 12-15. THE CONFLICT IS EXPECTED TO BE RENEWED WITH FORCE AFTER THE CHRISTMAS HOLIDAYS. THE PRESIDENT WISHES TO AVOID CONFRONTATION WITH SANDOVAL BUT THE MLN LEADER MAY FORCE A SHOWDOWN THROUGH OBSTRUCTIONIST TACTICS IN CONGRESS. END SUMMARY.

2. THE SPLIT: THE PARTY SPLIT, WHICH HAS BEEN DEVELOPING FOR MONTHS, CAME DURING A MEETING OF THE MLN HIGH COMMAND ON NOVEMBER 26. DURING A PRE-FABRICATED PARTY "REORGANIZATION," SANDOVAL SACKED TWO TOP MEMBERS OF THE MLN'S NATIONAL DIRECTORATE. SANDOVAL MADE CLEAR TO ROBERTO HERRERA IBARGUEN THAT HE WOULD SHORTLY BE REPLACED AS PRESIDENT OF THE PARTY'S POLITICAL COUNCIL AND HERRERA RESIGNED FROM THE POSITION TWO DAYS LATER. AS OF DECEMBER 10, SEVEN MEMBERS OF THE 16-MAN NATIONAL DIRECTORATE HAVE RESIGNED OR BEEN EXPELLED AND EIGHT OUT OF THE 20-MEMBER POLITICAL COUNCIL HAVE RESIGNED. THE MOST RECENT RESIGNATION WAS THAT OF LABOR MINISTER DANIEL CORZO DE LA ROCA.

3. ALL OF THOSE WHO RESIGNED EMPHASIZED THAT THEY REMAIN MLN MEMBERS. RESIGNATION LETTERS HAVE HAD TWO COMMON THEMES: MARIO SANDOVAL'S INCREASINGLY AUTOCRATIC MANAGEMENT OF THE PARTY AND DISAGREEMENT WITH THE PARTY'S OPPOSITIONIST STANCE TOWARD THE LAUGERUD GOVERNMENT.

4. BACKGROUND: SANDOVAL'S HOSTILITY TOWARD LAUGERUD HAS BEEN DUE IN LARGE PART TO THE PRESIDENT'S REFUSAL TO APPOINT MLN MEMBERS TO KEY GOVERNMENT JOBS. SANDOVAL'S NUMBER ONE DEMAND HAS BEEN THE APPOINTMENT OF HIS CRONY HECTOR ANDRADE AS MINISTER OF COMMUNICATIONS AND PUBLIC WORKS, THE GOVERNMENT'S PRINCIPAL PATRONAGE DISPENSING JOB. AND A POSITION RESPONSIBLE FOR HANDLING A QUARTER OF THE NATIONAL BUDGET. THE FEW MLN FIGURES WHO DO HOLD TOP GOVERNMENT POSITIONS ARE NOW NEARLY ALL WITH THE
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HERRERA FACTION.

5. THE PARTY BREAK WAS PRECIPITATED BY A NUMBER OF ACTIONS TAKEN BY SANDOVAL WITHOUT CONSULTING OTHER PARTY LEADERS: (A) THE DISSIDENTS PRIVATELY ALLEGE THAT SANDOVAL APPROACHED THREE TOP ARMY GENERALS (DEFENSE MINISTER RUBIO, INTERIOR MINISTER VASAUX, CHIEF OF STAFF

LUCAS) TO SOULD OUT THEIR INTEREST IN RUNNING AS THE MLN'S 1978 PRESIDENTIAL CANDIDATE. THE GENERALS REPORTEDLY INFORMED LAUGERUD OF SANDOVAL'S APPROACH AND THE PRESIDENT TOLD HERRERA. THE DISSIDENTS CONCLUDED THAT SANDOVAL'S INTENTION WAS TO CREATE JEALOUSIES BETWEEN THE GENERALS AND TO ANIMATE AT LEAST ONE OF THEM INTO LAUNCHING AN MLN-ACKED COUP. (B) PRIOR TO HIS DEPARTURE IN OCTOBER FOR A MEDICAL CHECKUP IN HOUSTON, SANDOVAL LEFT INSTRUCTIONS WITH MLN PUBLIC RELATIONS DIRECTOR RUDY FUENTES TO ATTACK PUBLICLY THE PRESIDENTIAL PRESS SPOKESMAN, ROBERTO GIRON LEMUS. FUENTES DUTIFULLY BEGAN AN ACRIMONIOUS EXCHANGE OF INSULTS WITH GIRON. (C) SANDOVAL SIMILARLY TOLD THE MLN PROFFESIONAL BRANCH THAT IN HIS ABSENCE THE PROFESSIONS SHOULD CASTIGATE THE NATIONAL ELECTRIC COMPANY'S DECISION TO RAISE RATES.

6. THE HERRERA GROUP DISOWNED STATEMENTS BY RUDY FUENTES AND THE PROFESSIONAL BRANCH, RESULTING IN CONFUSION AS TO WHO SPOKE FOR THE MLN. AFTER SANDOVAL HURRIED BACK FROM HOUSTON ON NOVEMBER 24, THE HERRERA GROUP PROPOSED TO HIM THAT A PARTY CONVENTION BE HELD TO "REORGANIZE" LEADERSHIP AND CLARIFY THE PARTY LINE. SANDOVAL UNDERSTOOD THAT THE HERRERA GROUP HOPED TO REDUCE HIS POWERS AS DIRECTOR GENERAL. AFTER CONSULTING WITH THE MLN CONGRESSIONAL BLOC, WHICH IS LOYAL TO SANDOVAL, THE VICE PRESIDENT MOVED TO PURGE THE DISSIDENTS.

7. PRESENT SITUATION: FOLLOWING THE PURGE, HERRERA, GARIEL MARTINEZ DEL ROSAL AND OTHER DISSIDENT BLOCK LEADERS CONSULTED WITH PRESIDENT LAUGERUD. THE PRESIDENT REPORTEDLY OFFERED SUPPORT TO THE GROUP, BUT STOPPED SHORT OF MEETING ALL ITS REQUESTS. AS A GESTURE OF SUPPORT, LAUGERUD NAMED HERRERA HIS PERSONAL REPRESENTATIVE TO THE DDECEMBER 5-6 NATIONAL MUNICIPALITIES

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ASSOCIATION (ANAM) ASSEMBLY. THE PRESIDENT AGREED TO REMOVE FROM OFFICE SOME MINOR SANDOVAL MEN AND ENCOURAGED THE HERRERA GROUP TO CONTEST THE LEGALITY OF THE PARTY "REORGANIZATION." THE PRESIDENT PROMISED TO REPLACE THE PRESENT ELECTORAL REGISTRAR (A SANDOVAL LOYALIST) WITH A MEMBER OF THE DISSIDENT GROUP.

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8. THE DISSIDENTS HOPE TO WORK THROUGH THE ELECTORAL REGISTRY AND THE COURTS TO FORCE THE PARTY TO HOLD A GENERAL ASSEMBLY. THEY ARE WILLING TO LEAVE SANDOVAL AS FIGUREHEAD PARTY CHIEFTAIN BUT WITH HIS POWERS DISTRIBUTED AMONG OTHER DIRECTORATE MEMBERS. THE GROUP ADMITS ITS CURRENT MINORITY STATUS BUT BELIEVES IT CAN IMPROVE ITS POSITION IN THE INTERIOR THROUGH THE INFLUENCE OF KEY RURAL LEADERS. THERE IS EVIDENCE, HOWEVER, THAT MANY DEPARTMENTAL AND MUNICIPAL MLN COMMITTEES MAY BE RELUCTANT TO CHALLENGE PARTY CHIEFTAIN SANDOVAL.

9. AFTER CONSULTING WITH LAUGERUD, THE HERRERA GROUP HAD DECIDED TO HOLD ITS FIRE UNTIL TWO CRITICAL EVENTS HAVE TAKEN PLACE: LAUGERUD'S TRIP TO CARACAS (DECEMBER 12-15), DURING WHICH SANDOVAL WILL BE ACTING PRESIDENT; AND APPROVAL OF THE NATIONAL BUDGET PRIOR TO THE CONGRESSIONAL RECESS ABOUT DECEMBER 15. THOSE EVENTS WILL BE FOLLOWED BY THE CHRISTMAS HOLIDAYS, WHEN POLITICS TRADITIONALLY TAKE A MONTH-LONG HOLIDAY. IN JANUARY, THE DISSIDENTS PLAN TO ATTACK SANDOVAL WITH FULL FORCE.

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10. SANDOVAL ALSO HAS TAKEN SEVERAL STEPS TO CALM THE SITUATION. PRESUMABLY HE HOPES TO EASE SOME OF THE

GERERAL NERVOUSNESS CONCERNING HIS IMMINENT ASSUMPTION OF PRESIDENTIAL POWER FOR THREE DAYS. SANDOVAL ALSO REPORTEDLY HAD NOT EXPECTED THE LABOR MINISTER'S RESIGNATION FROM THE PARTY'S LEADERSHIP AND FEARED IT WOULD HAVE A SNOWBALLING EFFECT. SEVERAL HOURS AFTER CORZO'S RESIGNATION, SANDOVAL SENT THE MLN DEPUTY BLOC TO MEET WITH LAUGERUD AND TO ASSURE THE PRESIDENT OF THEIR CONTINUED SUPPORT. INSTEAD OF EXPELLING THE DISSIDENTS FROM THE PARTY, AS ORIGINALLY PLANNED, SANDOVAL CREATED A DISCIPLINARY COUNCIL WHICH CAN STUDY THE MATTER INDEFINITELY. IN PAID PRESS ANNOUNCEMENTS, THE MLN HAS ASSERTED ITS "FIRM AND UNVACILLATING" SUPPORT FOR KJELL AND MARIO. DURING THE ANAM CONVENTION, BOTH FACTIONS AGREED TO SET ASIDE THEIR DIFFERENCES TEMPORARILY IN ORDER TO DEFEAT THEIR COMMON LEFTIST ENEMIES.

11. FUTURE. MARIO SANDOVAL APPEARS TO HAVE SEVERAL OPTIONS, LISTED BELOW IN WHAT WE JUDGE TO BE THE ORDER TO LIKELIHOOD: (A) INCREASE OBSTRUCTIONISM BY THE MLN CONGRESSIONAL BLOC. THIS TACTIC RUNS THE RISK OF THE PRESIDENT CLOSING DOWN CONGRESS. LAUGERUD ALSO COULD APPLY PRESSURE AND BRIBERY TO UNDERMINE CONGRESSMEN. (B) CONTINUE PRESENT LEVEL OF MLN CRITICISM OF LAUGERUD GOVERNMENTS'S PERSONNEL AND POLICIES. THIS APPROACH WOULD CONTINUE TO BE INEFFECTIVE BUT WOULD AVOID CONFRONTATION WITH THE PRESIDENT. (C) VIOLENCE AGAINST HERRERA GROUP AND OTHERS. DISSIDENTS ARE CONCERNED THAT CONGRESSMAN BERNAL HERNANDEZ AND OTHER "HEAVYS" ALLIED WITH SANDOVAL MAY ACT INDEPEPENDENTLY. THIS TACTIC RUNS RISK OF PRESIDENTIAL IMPOSITION OF STATE OF SEIGE OR ARMY COUP TO RESTORE ORDER. (D) ALLIANCE WITH LEFTIST POLITICAL PARTIES. SANDOVAL MAY TRY THIS, AND MAY HAVE SUCCESS WITH BRANCHES OF PR, BUT PROBABLY WOULD FAIL WITH MORE SIGNIFICANT DCG. (E) ORGANIZE ARMY COUP. PROBABLY BEING CONSIDERED BY SANDOVAL, BUT HE IS HAMPERED BY LACK OF SUPPORT AT GENERAL STAFF LEVEL. DISSIDENTS ARE CONCERNED SANDOVAL MAY ATTEMPT TO WORK THROUGH AMBITIOUS FIELD GRADE OFFICERS, BUT THIS APPROACH WOULD BE VERY DIFFICULT. (F) ALLIANCE WITH FORMER PRESIDENT CARLOS ARANA--AN
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UNLIKELY DEVELOPMENT.

12. LAUGERUD'S CURRENT ALTERNATIVES APPEAR TO BE AS FOLLOWS: (A) COMPROMISE BY OFFERING SANDOVAL MEN LESSER GOVERNMENT POSITIONS, SUCH AS DIRECTOR OF THE ROADS DEPARTMENT. WITH SOME GRUMBLING, THIS OPTION PROBABLY WOULD BE ACCEPTABLE TO ALL PARTIES AND WOULD HELP TO CALM THE SITUATION FOR A FEW MONTHS. THIS COURSE PROBABLY WOULD APPEAL TO LAUGERUD, WHO REPORTEDLY STILL

WISHES TO AVOID CONFRONTATION WITH SANDOVAL. (B) CONTINUE TO HELP THE HERRERA GROUP, INCLUDING APPOINTING DISSIDENTS TO IMPORTANT MINISTRIES DURING A JANUARY CABINET RESHUFFLE. THIS COURSE COULD BE CONDUCTED SIMULTANEOUSLY WITH OPTION (A). (C) GIVE IN TO SANDOVAL'S DEMAND FOR THE MINISTRY OF COMMUNICATIONS AND PUBLIC WORKS. LAUGERUD REPORTEDLY HAS DECIDED AGAINST THIS ALTERNATIVE AND ANY WAVERING COULD PROVOKE INTERVENTION BY ANTI-SANDOVAL ARMY GENERALS. (D) ARRANGE TO HAVE SANDOVAL ASSASSINATED. THE CONVULSIONS FOLLOWING THIS ACTION PROBABLY WOULD BE SERIOUS ENOUGH TO REQUIRE A STATE OF SEIGE, BUT AFTER ABOUT SIX MONTHS THE POLITICAL SITUATION COULD BE CALMER THAN IT HAS BEEN FOR YEARS. HOWEVER, THE RESULTANT POLITICAL UPHEAVAL WOULD DISTRACT THE GOVERNMENT AND THE COUNTRY FROM DEALING WITH URGENT ECONOMIC PROBLEMS.

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13. THE HERRERA GROUP WOULD LIKE TO BECOME THE PRINCIPAL CIVILIAN BASE OF POWER FOR THE LAUGERUD GOVERNMENT. TO ACCOMPLISH THIS GOAL, THEY NEED THE PRESIDENT'S HELP IN APPOINTING THEM TO GOVERNMENT POSITIONS AND IN THEIR LEGAL BATTLE WITH SANDOVAL. IF THE PRESIDENT'S HELP IS

NOT FORTHCOMING, OR IF SANDOVAL'S OPPOSITION CONTINUES TO DESTABLIZE THE GOVERNMENT, THE DISSIDENTS ARE PREPARED TO MOVE AGAINST LAUGERUD. ACCORDING TO A LEADING MEMBER OF THE GROUP, ONE POSSIBILITY BEING CONSIDERED IS AN ARANA-LED ARMY COUP, BACKED BY THE MLN DISSIDENTS AND THE CAO. IN STUDYING THIS OPTION, THE DISSIDENTS MAY BE EXAGGERATING ARANA'S PRESENT INFLUENCE OVER THE ARMY.

14. WHAT IS LIKELY TO HAPPEN? PROBABLY VERY LITTLE UNTIL MID-JANUARY. THEN A CABINET RESHUFFLE COULD SET THE STAGE FOR FUTURE CONFLICTS. IN HIS CUSTOMARILY CAUTIOUS MANNER, LAUGERUD PROBABLY WILL ATTEMPT TO GIVE SOMETHING TO EVERYONE, APPOINTING SOME SANDOVAL MENT TO SECOND-RUNG POSITIONS AND NAMING MLN DISSIDENTS TO SOMEWHAT MORE IMPORTANT JOBS. THE POLITICAL
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SITUATION COULD THEN CONTINUE SIMMERING FOR MONTHS AT ITS PRESENT LEVEL OF TENSION. GUATEMALAN POLITICANS OF ALL STRIPES PREDICT A MORE SERIOUS POLITICAL CRISIS SOMETIME IN MID-1975 BROUGHT ON BY WORSENING ECONOMIC CONDITIONS. IT IS NOT YET CLEAR WHETHER THE ECONOMIC DOWNTURN WILL BE AS BAD AS THE POLITICIANS PREDICT, BUT IF THEY ARE CORRECT, LAUGERUD AND SANDOVAL COULD BE FORCED TO A SHOWDOWN. TO DEAL WITH SERIOUS ECONOMIC PROBLEMS, LAUGERUD WOULD BE OBLIGED TO FORWARD CONTROVERSIAL LEGISLATION TO THE CONGRESS, WHERE THE MLN DEPUTIES COULD BLOCK ALL ACTION THROUGH OBSTRUCTIONIST TACTICS AND CORRUPTION. LAUGERUD AND THE ARMY PROBABLY WOULD THEN OFFER THE VICE PRESIDENT THE CHOICE OF COOPERATING OR LEAVING THE GOVERNMENT.
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